

# 7 Habits of Highly Effective People

## Be Proactive, Personal Vision

### **Habit 1:**

Proactivity means that, as human beings, we are responsible for our own lives. Our behavior is a function of our decisions, not our conditions.

There are three central values in life: the experiential (that which happens to us), the creative (that which we bring into existence), and the attitudinal (our response to difficult circumstances). What matters most is how we respond to what we experience in life.

Proactivity is grounded in facing reality but also understanding we have the power to choose a positive response to our circumstances.

We need to understand how we focus our time and energy to be effective. The things we are concerned about could be described as our "Circle of Concern". There are things we can really do something about, that can be described as our "Circle of Influence". When we focus our time and energy in our Circle of Concern, but outside our Circle of Influence, we are not being effective. However, we find that being proactive helps us expand our Circle of Influence. (Work on things you can do something about.)

Reactive people focus their efforts on the Circle of Concern, over things they can't control. Their negative energy causes their Circle of Influence to shrink.

Sometimes we make choices with negative consequences, called mistakes. We can't recall or undo past mistakes. The proactive approach to a mistake is to acknowledge it instantly, correct and learn from it. Success is the far side of failure.

At the heart of our Circle of Influence is our ability to make and keep commitments and promises. Our integrity in keeping commitments and the ability to make commitments are the clearest manifestations of proactivity.

## Begin With The End In Mind, Personal Leadership

### **Habit 2:**

There are three major aspects of our personal and business management. First is leadership - what do I/we want to accomplish? Second is management - how can I best accomplish it? Third is productivity - doing it. According to Peter Drucker and Warren Bennis, "Management is doing things right; Leadership is doing the right things."

A starting point in beginning with the end in mind is to develop a personal mission statement, philosophy or credo. It will help you focus on what you want to be (character),

do (contributions and achievements) and on the values and principles upon which your being and doing are based. The personal mission statement gives us a changeless core from which we can deal with external change.

The principles we base our lives on should be deep, fundamental truths, classic truths, or generic common denominators. They will become tightly interwoven themes running with exactness, consistency, beauty and strength through the fabric of our lives.

In developing your personal mission statement, you can use your creative ability to imagine life milestones such as birthdays, anniversaries, retirement and funerals. What accomplishments would you like to celebrate? Visualize them in rich detail.

## Put First Things First - Principles of Personal Management

### **Habit 3:**

“Habit 1 - I am the Programmer. Habit 2 - Write the Program. Habit 3 - Execute the Program.”

Habit 3 is Personal Management, the exercise of independent will to create a life congruent with your values, goals and mission.

Time management is an essential skill for personal management. The essence of time management is to organize and execute around priorities. Methods of time management have developed in these stages: 1) notes and checklists - recognizing multiple demands on our time; 2) calendars and appointment books - scheduling events and activities; 3) prioritizing, clarifying values - integrating our daily planning with goal setting (The downside of this approach is increasing efficiency can reduce the spontaneity and relationships of life.); 4) managing ourselves rather than managing time - focusing in preserving and enhancing relationships and accomplishing results, thus maintaining the P/PC balance (production versus building production capacity).

A matrix can be made of the characteristics of activities, classifying them as urgent or not urgent, important or not important.

Quadrant I activities are urgent and important - called problems or crises. Focusing on Quadrant I results in it getting bigger and bigger until it dominates you.

Quadrant III activities are urgent and not important, and often misclassified as Quadrant I.

Quadrant IV is the escape Quadrant - activities that are not urgent and not important.

Effective people stay out of Quadrants III and IV because they aren't important. They shrink Quadrant I down to size by spending more time in Quadrant II.

Quadrant II activities are important, but not urgent. Working on this Quadrant is the heart of personal time management. These are PC activities.

Quadrant II activities are high impact - activities that when done regularly would make a tremendous difference in your life. (Including implementing the Seven Habits.)

Initially, the time for Quadrant II activities must come from Quadrants III and IV. Quadrant I can't be ignored, but should eventually shrink with attention to Quadrant II.

- 1) Prioritize
- 2) Organize Around Priorities
- 3) Discipline yourself

A critical skill for personal management is delegation. Effectively delegating to others is perhaps the single most powerful high-leverage activity there is. Delegation enables you to devote your energies to high-level activities in addition to enabling personal growth for individuals and organizations.

There are two types of delegation: Gofer Delegation and Supervision of Efforts (Stewardship).

Using Gofer Delegation requires dictating not only what to do, but how to do it. The supervisor then must function as a "boss," micromanaging the progress of the "subordinate."

More effective managers use Stewardship Delegation, which focuses on results instead of methods. People are able to choose the method to achieve the results. It takes more time up front, but has greater benefits. Stewardship Delegation requires a clear, up-front mutual understanding of and commitment to expectations in five areas:

1. Desired Results - Have the person see it, describe it, make a quality statement of what the results will look like and by when they will be accomplished.
2. Guidelines - Identify the parameters within which the individual should operate, and what potential "failure paths" might be. Keep the responsibility for results with the person delegated to.
3. Resources - Identify the resources available to accomplish the required results.
4. Accountability - Set standards of performance to be used in evaluating the results and specific times when reporting and evaluation will take place.
5. Consequences - Specify what will happen as a result of the evaluation, including psychic or financial rewards and penalties.

Immature people can handle fewer results and need more guidelines and more accountability interviews. Mature people can handle more challenging desired results with fewer guidelines and accountability interviews.

"Treat a man as he is and he will remain as he is. Treat a man as he can and should be and he will become as he can and should be."

### Paradigms of Interdependence

The most important ingredient we put into any relationship is not what we say or do, but who we are.

In order to receive the benefits of interdependence, we need to create and care for the relationships that are the source of the benefits.

The Emotional Bank Account describes how trust is built on a relationship. Positive behaviors are deposits building a reserve. Negative behaviors are withdrawals. A high reserve balance results in higher tolerance for our mistakes and more open communication.

There are six major deposits we can make to the emotional bank account:

1. Understanding the individual. An individual's values determine what actions will result in a deposit or a withdrawal for that individual. To build a relationship, you must learn what is important to the other person and make it as important to you as the other person is to you. Understand others deeply as individuals and then treat them in terms of that understanding.
2. Attend to the little things, which are the big things in relationships.
3. Keep commitments. Breaking a promise is a major withdrawal.
4. Clarify expectations. The cause of almost all relationship difficulties is rooted in ambiguous, conflicting expectations around roles and goals. Making an investment of time and effort up front saves time, effort and a major withdrawal later.
5. Show personal integrity. A lack of integrity can undermine almost any effort to create a high trust reserve. Honesty requires conforming our words to reality. Integrity requires conforming reality to our words, keeping promises and fulfilling expectations. The key to the many is the one, especially the one that tests the patience and good humor of the many. How you treat the one reveals how you regard the many, because everyone is ultimately a one.
6. Apologize sincerely when you make a withdrawal. Sincere apologies are deposits, but repeated apologies are interpreted as insincere, resulting in withdrawals.

### Think Win-Win

#### **Habit 4:**

Win/Win is one of six total philosophies of human interaction.

1. Win/Win - People can seek mutual benefit in all human interactions. Principle-based behavior.

2. Win/Lose - The competitive paradigm: if I win, you lose. The leadership style is authoritarian. In relationships, if both people aren't winning, both are losing.
3. Lose/Win - The "Doormat" paradigm. The individual seeks strength from popularity based on acceptance. The leadership style is permissiveness.
4. Lose/Lose - When people become obsessed with making the other person lose, even at their own expense.
5. Win - Focusing solely on getting what one wants, regardless of the needs of others.
6. Win/Win or No Deal - If we can't find a mutually beneficial solution, we agree to disagree agreeably - no deal. This approach is most realistic at the beginning of a business relationship or enterprise. In a continuing relationship, it's no longer an option.

When relationships are paramount, Win/Win is the only viable alternative. In a competitive situation where building a relationship isn't important, Win/Lose may be appropriate. There are five dimensions of the Win/Win model: Character, Relationships, Agreements, Supportive Systems and Processes.

1. Character is the foundation of Win/Win. There must be integrity in order to establish trust in the relationship and to define a win in terms of personal values.
2. Relationships are the focus on Win/Win. Whatever the orientation of the person you are dealing with (Win/Lose, etc.), the relationship is the key to turning the situation around.
3. Performance agreements give definition and direction to Win/Win. They shift the paradigm of production from vertical (Superior - Subordinate) to horizontal (Partnership/Team). The agreement should include elements to create a standard by which people can measure their own success.
  - Defined results (not methods) - what is to be done and when.
  - Guidelines - the parameters within which the results should be accomplished
  - Resources - human, financial, technical or organizational support available to accomplish the results.
  - Accountability - the standards of performance and time(s) of evaluation.
  - Consequences - what will happen as a result of the evaluation.
4. The Reward System is a key element in the Win/Win model. Talking Win/Win but rewarding Win/Lose results in negating the Win/Win paradigm. If the outstanding performance of a few is rewarded, the other team members will be losers. Instead, develop individual achievable goals and team objectives to be rewarded.

Competition has its place against market competitors, last year's performance, or another location or individual where cooperation and interdependence aren't required, but cooperation in the workplace is as important to free enterprise as competition in the marketplace. The spirit of Win/Win cannot survive in an environment of competition or contests. All of the company's systems should be based on the principle of Win/Win. The

Compensation system of the managers should be based on the productivity and development of their people. The Win/Win process has four steps.

1. See the problem from the other point of view, in terms of the needs and concerns of the other party.
2. Identify the key issues and concerns (not positions) involved.
3. Determine what results would make a fully acceptable solution.
4. Identify new options to achieve those results.

## Seek First to Understand - Then to be Understood

### **Habit 5:**

We often prescribe before making a proper diagnosis when communicating. We should first take the time to deeply understand the problems presented to us.

Skills of empathic listening must be built on a character that inspires openness and trust and high emotional bank accounts.

### Empathic Listening

When another person is speaking, we usually "listen" at one of four levels: ignoring, pretending, selective listening, or attentive listening. We should be using the fifth, highest form of listening - empathic listening.

Empathic listening is listening with intent to understand the other person's frame of reference and feelings. You must listen with your ears, your eyes and your heart.

### Diagnose Before You Prescribe

An effective salesperson seeks to understand the needs, concerns and situation of the customer. An amateur sells products, the professional sells solutions.

Empathic listening takes time, but not as much time as backing up and correcting misunderstandings, including living with problems and the results of not giving the people you care about psychological air.

Habit 5 is powerful because it focuses on your circle of influence. It's an inside out approach. You are focusing on building your understanding. You become influenceable, which is the key to influencing others. As you appreciate people more, they will appreciate you more.

### Synergize

## Principles of Creative Cooperation

### **Habit 6:**

Synergy means the whole is greater than the sum of its parts.

The essence of synergy is to value differences - to respect them, to build on strengths, and to compensate for weaknesses. Synergistic communication is opening your mind and heart to new possibilities. It may seem like you are casting aside "beginning with the end in mind," but you are actually fulfilling it by clarifying your goals and discovering better ones.

By taking the time to really build a team, creating a high emotional bank account, the group can become very closely knit. The respect among members can become so high that if there is a disagreement, there can be a genuine effort to understand.

High trust leads to high cooperation and communication. The progression of communication is defensive (win or lose/win), to respectful (compromise), to synergistic (win/win).

By synergistically creating a mission statement, it becomes engraved in the hearts and minds of the participants. The problem is that highly dependent people are trying to succeed in an interdependent reality. They may talk win/win technique, but they want to manipulate others. These insecure people need to mold others to their way of thinking. The person who is truly effective has the humility and reverence to recognize his own perceptual limitations and to appreciate the rich resources available through interaction with the hearts and minds of other human beings.

## Principles of Balanced Self-Renewal

### **Habit 7:**

Habit 7 is taking the time to sharpen the saw. You must work proactively (Quadrant II) to renew the four dimensions of your nature physical, spiritual, mental and social/economic.

#### The Physical Dimension

The physical dimension involves caring for your physical body - eating the right foods, getting enough rest and relaxation, and exercising on a regular basis.

#### The Spiritual Dimension

The spiritual dimension is your center, your commitment to your value system. It draws upon the sources that inspire and uplift you and tie you to timeless truths of humanity.

### The Mental Dimension

It's important keep your mind sharp by reading, writing, organizing and planning. Read broadly and expose yourself to great minds.

### The Social/Emotional Dimension

Our emotional life is primarily developed out of and manifested in our relationships with others. Renewing our social/emotional dimension requires focus and exercise in our interaction with others.

Self-renewal must include balanced renewal in all four dimensions--physical, spiritual, mental and social/emotional. Neglecting any one area negatively impacts the rest.

### The 7 Habits...and what they'll do to help your group (Summary)

- Be Proactive - Fosters courage to take risks and accept new challenges to achieve goals
- Begin with the End in Mind - Brings projects to completion and unites teams and organizations under a shared vision, mission, and purpose
- Put First Things First - Promotes getting the most important things done first and encourages direct effectiveness
- Think Win-Win - Encourages conflict resolution and helps individuals seek mutual benefit, increasing group momentum
- Seek First to Understand, Then to Be Understood - Helps people understand problems, resulting in targeted solutions; and promotes better communications, leading to successful problem-solving
- Synergize - Ensures greater "buy-in" from team members and leverages the diversity of individuals to increase levels of success
- Sharpen the Saw - Promotes continuous improvements and safeguards against "burn-out" and subsequent non-productivity